

SENATE BILL 1003

R4

4lr2956

By: **Senator Folden**

Introduced and read first time: February 2, 2024

Assigned to: Judicial Proceedings

A BILL ENTITLED

1 AN ACT concerning

2 **Vehicle Laws – Manufacturers and Dealers – Delivery of Vehicles**

3 FOR the purpose of establishing that certain requirements for motor vehicle
4 manufacturers, distributors, and factory branches to deliver new motor vehicles to
5 licensed dealers apply after submission of an order or acceptance of an allocation;
6 and generally relating to motor vehicle manufacturers and dealers.

7 BY repealing and reenacting, with amendments,

8 Article – Transportation

9 Section 15–208

10 Annotated Code of Maryland

11 (2020 Replacement Volume and 2023 Supplement)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
13 That the Laws of Maryland read as follows:

14 **Article – Transportation**

15 15–208.

16 (a) A manufacturer may not refuse to deliver new motor vehicles, new two–stage
17 vehicles, or truck component parts, as the case may be, to a licensed dealer or distributor,
18 in reasonable quantities and within a reasonable time after [receipt of a written order]
19 **SUBMISSION OF AN ORDER OR ACCEPTANCE OF AN ALLOCATION**, if:

20 (1) The manufacturer specifically advertises that these vehicles or truck
21 component parts are available for immediate delivery; and

22 (2) The dealer or distributor has a franchise or other contract with the
23 manufacturer for the sale of these vehicles or truck component parts to the public.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) A distributor may not refuse to deliver new motor vehicles, or new two-stage
2 vehicles, as the case may be, to a licensed dealer, in reasonable quantities and within a
3 reasonable time after [receipt of a written order] **SUBMISSION OF AN ORDER OR**
4 **ACCEPTANCE OF AN ALLOCATION**, if:

5 (1) The distributor specifically advertises that these vehicles are available
6 for immediate delivery; and

7 (2) The dealer has a franchise or other contract with the distributor for the
8 sale of these vehicles to the public.

9 (c) A factory branch may not refuse to deliver new motor vehicles, or new
10 two-stage vehicles, as the case may be, to a licensed dealer, in reasonable quantities and
11 within a reasonable time after [receipt of a written order] **SUBMISSION OF AN ORDER OR**
12 **ACCEPTANCE OF AN ALLOCATION**, if:

13 (1) The factory branch specifically advertises that these vehicles are
14 available for immediate delivery; and

15 (2) The dealer has a franchise or other contract with the factory branch for
16 the sale of these vehicles to the public.

17 (d) A failure to deliver vehicles because of a labor strike, government regulation,
18 or other cause not the fault of the manufacturer, distributor, or factory branch is not a
19 violation of this section.

20 (e) If a dealer has a franchise or other contract with a manufacturer, distributor,
21 or factory branch for the sale of vehicles or truck component parts of a specific line or make,
22 the manufacturer, distributor, or factory branch shall allow the dealer to:

23 (1) Purchase the vehicles or truck component parts at the same price and
24 on the same terms as all other dealers with a franchise or other contract for the sale of
25 vehicles or truck component parts of the same line or make; and

26 (2) Receive the same right to incentive payments that is given to all other
27 dealers with a franchise or other contract for the sale of vehicles or truck component parts
28 of the same line or make.

29 (f) (1) Any system operated by a manufacturer, distributor, or factory branch
30 or its affiliate for the allocation of new vehicles to dealers shall be reasonable and fair for
31 all dealers.

32 (2) On the written request by any of its dealers, a manufacturer,
33 distributor, or factory branch or its affiliate shall disclose to the dealer the method by which
34 new vehicles are allocated to dealers of the same line make.

1 (3) In any dispute over compliance with this subsection, a manufacturer,
2 distributor, or factory branch or its affiliate has the burden of proving its compliance.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 October 1, 2024.